

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 2006-295-WS - ORDER NO. 2007-238

APRIL 6, 2007

IN RE: Application of Carolina Water Service, Inc. for Approval of a Contract with Livonti Investments, LLC) ORDER APPROVING) CONTRACT AND) GRANTING) ADMINISTRATIVE) RELIEF
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This matter comes before the Public Service Commission of South Carolina (“Commission”) on the Application of Carolina Water Service, Inc. (“CWS” or “Applicant”) for approval of a contract with Livonti Investments, LLC (“Livonti”) to provide water and sewer services to the proposed Smallwood Court development in Lexington County. The contract is dated September 14, 2006.

The Applicant proposes to serve the development through its Smallwood Estates System, which currently serves the Smallwood Estates development. Smallwood Court will be included in Smallwood Estates. The new development will consist of approximately seventeen (17) residential units. The contract provides, *inter alia*, that Livonti will construct all of the necessary water and sewer facilities required to connect the proposed development to CWS’s Smallwood Estates System, acquire all necessary easements and rights-of-way and convey such facilities and easements to CWS. Performance of the Agreement is conditioned upon its approval by this Commission.

According to the Application, the proposed development is within the Company’s authorized service area in Lexington County. No other public or

governmental utility is currently authorized to serve or is serving the proposed development.

Pursuant to the contract, upon completion of Livonti's obligations, CWS will provide service to the proposed development pursuant to all of the terms, conditions, rates and charges set forth in its Commission approved rate schedule as may be in effect and on file from time to time, except with respect to its authorized tap fees for the provision of water service. CWS has agreed to waive the water connection and tap fees for new customers in this subdivision in exchange for the construction, acquisition and conveyance of the described facilities and easements by Livonti. CWS believes that this waiver is warranted and in the public interest given that that (a) the facilities to be constructed and conveyed by Livonti are substantial, (b) Livonti has agreed to reserve a well site for CWS, (c) that the facilities will permit CWS to spread the overall costs of water service among a greater number of customers, which is a benefit to CWS's entire customer base, and (d) that the easements granted by Livonti allow for future interconnections with affiliated systems which, if authorized, will help ensure adequate and proper service for water customers in this area. Further, CWS submits that the public convenience and necessity will be served by the approval of this contract, and that no hearing in this matter is required, pursuant to S.C. Code Ann. Section 58-5-240 (G) (Supp. 2006).

We would note that this matter was noticed, pursuant to the instructions of the Commission's Docketing Department and that no Protests or Petitions to Intervene were received. Subsequently, we set this matter for hearing and established dates for the

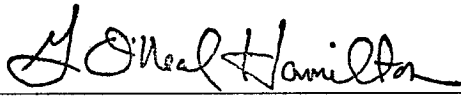
prefiling of testimony of witnesses. By letter dated December 7, 2006, the Office of Regulatory Staff (ORS) notified that it had reviewed the contract and that it had no objections to its approval. Furthermore, ORS suggested that the scheduled public hearing was no longer necessary, given the absence of opposition. Since the prefiling dates were scheduled before any Commission vote on this matter, CWS also asks for a *nunc pro tunc* extension of the prefiling date until some period of time after the Commission rules, given the circumstances of the case.

After consideration of this matter, we grant CWS's request for an extension, *nunc pro tunc*, of the due dates for prefiled testimony, and cancel the hearing.

We also approve the Application, the waiver, and the contract. The proposed development to be served is in the service territory of CWS, and no other public or governmental utility is currently authorized to serve the proposed development. The terms of the contract and waiver are fair and reasonable, and are in the public interest for the reasons stated above. There is no opposition to our approval of this contract.

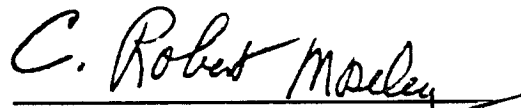
This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



G. O'Neal Hamilton, Chairman

ATTEST:



C. Robert Moseley, Vice Chairman

(SEAL)